



**Condensed Consolidated Statements of Profit or Loss and Other Comprehensive Income**  
**For the quarter ended 31 October 2016**

	(UNAUDITED)		(UNAUDITED)	
	INDIVIDUAL QUARTER	PRECEDING YEAR	CUMULATIVE QUARTER	PRECEDING YEAR
	CURRENT YEAR QUARTER 31/10/2016 RM'000	CORRESPONDING QUARTER 31/10/2015 RM'000	CURRENT YEAR TO DATE 31/10/2016 RM'000	CORRESPONDING PERIOD 31/10/2015 RM'000
<b>Revenue</b>	140,742	145,206	140,742	145,206
Cost of sales	(112,388)	(117,221)	(112,388)	(117,221)
<b>Gross Profit</b>	28,354	27,985	28,354	27,985
Other income	3,421	5,536	3,421	5,536
Administrative expenses	(13,691)	(12,104)	(13,691)	(12,104)
Selling and distribution expenses	(12,528)	(14,074)	(12,528)	(14,074)
Other expenses	(810)	(2,535)	(810)	(2,535)
<b>Operating Profit</b>	4,746	4,808	4,746	4,808
Finance costs	(4,433)	(3,789)	(4,433)	(3,789)
<b>Profit before tax</b>	313	1,019	313	1,019
Income tax expenses	(210)	(947)	(210)	(947)
<b>Profit for the period</b>	103	72	103	72
<b>Other Comprehensive Income</b>				
Other comprehensive income, net of tax, will not be reclassified to profit or loss in subsequent periods:				
Changes in fair value of equity instruments	1,216	3,513	1,216	3,513
<b>Total comprehensive income for the period</b>	1,319	3,585	1,319	3,585
<b>Profit net of tax attributable to:</b>				
Owners of the parent	150	72	150	72
Non-controlling interests	(47)	-	(47)	-
	103	72	103	72
<b>Total comprehensive income attributable to:</b>				
Owners of the parent	1,366	3,585	1,366	3,585
Non-controlling interests	(47)	-	(47)	-
	1,319	3,585	1,319	3,585
	Sen	Sen	Sen	Sen
Earnings per share attributable to Owners of the parent:				
- Basic	0.08	0.04	0.08	0.04
- Diluted	N/A	N/A	N/A	N/A

Note: N/A: Not Applicable

The condensed consolidated statements of comprehensive income should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Financial Position**  
**As At 31 October 2016**

	(UNAUDITED) AS AT END OF CURRENT QUARTER 31/10/2016 RM'000	(AUDITED) AS AT PRECEDING FINANCIAL YEAR END 31/07/2016 RM'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant & equipment	592,425	606,621
Land held for property development	6,005	6,005
Biological assets	207,624	200,598
Investment properties	59,134	59,887
Investment securities	37,937	36,722
Intangible assets	3,531	4,341
Long term receivable	3,269	3,205
Deferred tax assets	20,042	21,804
	<u>929,967</u>	<u>939,183</u>
<b>Current assets</b>		
Inventories	151,150	165,886
Trade and other receivables	96,306	95,365
Other current assets	11,423	9,459
Cash and bank balances	26,716	47,527
	<u>285,595</u>	<u>318,237</u>
<b>TOTAL ASSETS</b>	<u><u>1,215,562</u></u>	<u><u>1,257,420</u></u>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity attributable to owners of the parent:</b>		
Share capital	209,000	209,000
Share premium	59,680	59,680
Treasury shares	(55,165)	(55,162)
Retained earnings	440,665	440,515
Other reserves	(23,223)	(24,439)
	<u>630,957</u>	<u>629,594</u>
Non-controlling interests	904	951
<b>Total equity</b>	<u>631,861</u>	<u>630,545</u>
<b>Non-current liabilities</b>		
Loans and borrowings	87,514	96,259
Deferred tax liabilities	20,784	23,131
	<u>108,298</u>	<u>119,390</u>
<b>Current liabilities</b>		
Loans and borrowings	366,293	392,905
Trade and other payables	108,875	113,958
Income tax payable	235	622
	<u>475,403</u>	<u>507,485</u>
<b>Total liabilities</b>	<u>583,701</u>	<u>626,875</u>
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,215,562</u></u>	<u><u>1,257,420</u></u>
<b>Net assets per share attributable to ordinary equity holders of the Parent (RM)</b>	3.36	3.35
Number of shares net of treasury shares ('000)	188,120	188,122

The condensed consolidated statements of financial position should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Changes in Equity**  
**For the quarter ended 31 October 2016**

	↔ Attributable to Equity Holders of the Parent ↔					↔	↔	
	↔ Non-Distributable ↔			↔ Distributable ↔				
	Share capital	Share premium	Treasury shares	Other reserves	Retained earnings	Total	Non- controlling interests	Total Equity
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Three Months Ended 31 October 2016								
Balance as at 1 August 2016	209,000	59,680	(55,162)	(24,439)	440,515	629,594	951	630,545
Profit for the financial period	-	-	-	-	150	150	(47)	103
Other comprehensive income	-	-	-	1,216	-	1,216	-	1,216
Total comprehensive income	-	-	-	1,216	150	1,366	(47)	1,319
Purchase of treasury shares	-	-	(3)	-	-	(3)	-	(3)
Balance as at 31 October 2016	<u>209,000</u>	<u>59,680</u>	<u>(55,165)</u>	<u>(23,223)</u>	<u>440,665</u>	<u>630,957</u>	<u>904</u>	<u>631,861</u>
2016 Three Months Ended 31 October 2015								
Balance as at 1 August 2015	209,000	59,680	(55,158)	(18,798)	478,785	673,509	(40)	673,469
Profit for the financial period	-	-	-	-	72	72	-	72
Other comprehensive income	-	-	-	3,513	-	3,513	-	3,513
Total comprehensive income	-	-	-	3,513	72	3,585	-	3,585
Balance as at 31 October 2015	<u>209,000</u>	<u>59,680</u>	<u>(55,158)</u>	<u>(15,285)</u>	<u>478,857</u>	<u>677,094</u>	<u>(40)</u>	<u>677,054</u>

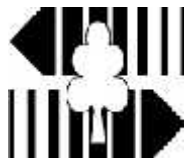
The condensed consolidated statements of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly report.



**Condensed Consolidated Statements of Cash Flows**  
**For the quarter ended 31 October 2016**

	(UNAUDITED) CURRENT YEAR-TO-DATE 31/10/2016 RM'000	(UNAUDITED) CORRESPONDING YEAR-TO-DATE 31/10/2015 RM'000
<b>Cash Flows from Operating Activities</b>		
Profit before taxation	313	1,019
Adjustments for :		
Amortisation of biological assets	1,479	1,261
Amortisation of intangible assets	810	2,535
Depreciation of investment properties	753	34
Depreciation of property, plant and equipment	17,991	23,207
Interest expense	4,433	3,789
Interest income	(248)	(190)
(Gain)/loss on disposal of property, plant and equipment	(67)	3
Property, plant and equipment written off	12	1
Unrealised gain on foreign exchange	(76)	(1,534)
Operating profit before working capital changes	25,400	30,125
Changes in working capital :		
Decrease/(increase) in inventories	14,735	(23,168)
Increase in trade and other receivables	(929)	(19,497)
Increase in other current assets	(2,322)	(3,996)
(Decrease)/increase in trade and other payables	(5,083)	5,556
Cash from/(for) operations	31,801	(10,980)
Taxes paid, net of refund	(824)	(2,277)
Interest paid	(4,433)	(3,789)
Interest received	248	190
Net cash from/(for) operating activities	26,792	(16,856)
<b>Cash Flows from Investing Activities</b>		
Costs incurred on biological assets	(8,504)	(6,307)
Proceeds from disposal of property, plant and equipment	771	729
Purchase of investment securities	-	(26,040)
Purchase of property, plant and equipment	(4,511)	(12,808)
Net cash for investing activities	(12,244)	(44,426)
<b>Cash Flows from Financing Activities</b>		
Net of (repayment)/drawdown of bankers' acceptance	(21,024)	21,240
Drawdown of revolving credit	5,000	65,000
Repayment of term loan	(5,117)	(5,546)
Purchase of treasury shares	(3)	-
Repayment of hire purchase obligations	(14,215)	(14,659)
Net cash (for)/from financing activities	(35,359)	66,035
<b>Net change in cash and cash equivalents</b>	(20,811)	4,753
<b>Cash and cash equivalents at beginning of period</b>	47,527	56,277
<b>Cash and cash equivalents at end of period</b>	26,716	61,030

The condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the year ended 31 July 2016 and the accompanying explanatory notes attached to the quarterly financial report.



**NOTES :**

**Note 1 Basis of Preparation**

The quarterly report is unaudited and has been prepared in accordance with FRS 134 “Interim Financial Reporting” and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The quarterly report should be read in conjunction with the Group’s audited financial statements for the year ended 31 July 2016. These explanatory notes attached to the quarterly report provide an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the year ended 31 July 2016.

**Note 2 Changes in Accounting Policies**

The significant accounting policies adopted in the quarterly report are consistent with those adopted in the Group’s audited financial statements for the financial year ended 31 July 2016. At the date of authorization of these interim financial statements, the Group has not adopted the following accounting standards that have been issued by the Malaysian Accounting Standards Board (“MASB”). The Group intend to adopt these amendments/standards, if applicable, when they become effective.

<b>FRSs and/or IC Interpretations (Including the Consequential Amendments)</b>	<b>Effective Date</b>
Amendments to FRS 107: Disclosure Initiative	1 January 2017
Amendments to FRS 112: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
Amendments to FRS 10 and FRS 128 (2011): Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Deferred until further notice

The adoption of the above standards and amendments are not expected to have any material impact on the financial statements of the Group.

**Note 3 Auditors’ Report on Preceding Annual Financial Statements**

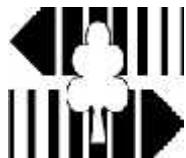
The auditors’ report on the financial statements for the year ended 31 July 2016 was not qualified.

**Note 4 Seasonal or Cyclical factors**

Timber operations are, to a certain extent, affected by weather condition especially for logging operations. In addition, the four seasons also had some impact on the buying patterns of traditional buyers of timber products.

**Note 5 Unusual Items**

There were no unusual items affecting assets, liabilities, equity, net income, or cash flows for the period under review.



#### **Note 6 Changes in Estimates**

There were no changes in estimates that have had a material effect on the results of the Group for the period under review.

#### **Note 7 Debt and Equity Securities**

During the current quarter, 2,100 shares of RM1.00 each were purchased and retained as treasury shares. The monthly breakdown of shares bought back were as follows:

Month	No. of shares	Purchase price per share		Average price per share RM	Total cost RM
		Lowest	Highest		
		RM	RM		
August 2016	1,000	1.42	1.42	1.42	1,462
September 2016	1,100	1.41	1.50	1.42	1,644
<b>TOTAL</b>	<b>2,100</b>	<b>1.41</b>	<b>1.50</b>	<b>1.42</b>	<b>3,106</b>

All the shares purchased to-date were held as treasury shares in accordance with the requirements of Section 67A of the Companies Act 1965. As at 31 October 2016, the number of shares retained as treasury shares amounted to 20,880,300. There has been no resale or cancellation of treasury shares during the period under review.

Apart from the above, there were no issuances and repayments of debt and equity securities for the period under review.

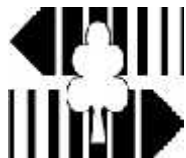
#### **Note 8 Dividends Paid**

There were no dividends paid during the period under review.

#### **Note 9 Segmental Information**

Segmental revenue and profit before taxation for the current financial year-to-date and preceding year corresponding period by the respective operating segments as follows:

	Financial year-to-date ended			
	31.10.2016		31.10.2015	
	Revenue	Profit/(Loss) Before Tax	Revenue	Profit/(Loss) Before Tax
	RM'000	RM'000	RM'000	RM'000
Timber	115,626	(9,995)	128,781	(2,635)
Plantation	24,818	12,273	16,410	4,617
Others	298	(1,965)	15	(963)
	<u>140,742</u>	<u>313</u>	<u>145,206</u>	<u>1,019</u>



**Note 9 Segmental Information (cont'd)**

The Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

The timber segment is involved in extraction, sale of logs, tree planting (reforestation), manufacturing and trading of plywood, particleboard, sawn timber, finger-joint moulding, charcoal and supply of electricity for its manufacturing activities.

The plantation segment is involved in cultivation of oil palm and sales of fresh fruit bunch.

The others segment is involved in sales of grocery, manufacturing and trading of drinking water, provision of towage and transportation services, insurance services, property holding and development.

**Note 10 Valuations of Property, Plant and Equipment**

There has been no valuation undertaken for the Group's property, plant and equipment since the last annual financial statements.

**Note 11 Subsequent Events**

There were no material events subsequent to the end of the current quarter that has not been reflected in the financial statement.

**Note 12 Changes in the Composition of the Group**

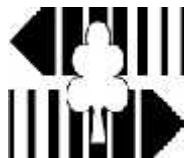
On 27 September 2016, the Company's equity interest in Hahn Fert Sdn. Bhd. ("HAF"), a wholly-owned subsidiary of the Company has been diluted from 100% to 75% as a result of issuance of new ordinary shares in HAF to a new shareholder. Following the dilution, HAF became a 75% owned subsidiary of the Company.

On 30 September 2016, the wholly-owned subsidiary of the Company, Momawater Sdn. Bhd. ("MWT") has acquired the entire issued and paid up capital of MOMA Marketing Pte. Ltd. ("MMS") comprising one (1) ordinary share of SGD1.00. Thereby, MMS became a wholly-owned subsidiary of the Company via MWT. MMS is currently a dormant company and its intended principal business activity is trading of drinking water.

**Note 13 Changes in Contingent Liabilities and Contingent Assets**

The contingent liabilities represent corporate guarantees in respect of banking facilities granted to subsidiary companies.

The amount of banking facilities utilised which were secured by corporate guarantees decreased by RM14,706,000 from RM214,796,000 as at 31 July 2016 (last annual balance sheet) to RM200,090,000 as at 31 October 2016.



**Note 14 Capital Commitments**

	<b>As at 31.10.2016 RM'000</b>	<b>As at 31.07.2016 RM'000</b>
Approved and contracted for	4,244	8,125
Approved but not contracted for	<u>6,417</u>	<u>4,619</u>
	<u>10,661</u>	<u>12,744</u>
Analysed as follows:		
Property, plant and equipment	8,300	9,425
Investment properties	<u>2,361</u>	<u>3,319</u>
	<u>10,661</u>	<u>12,744</u>

**Note 15 Review of Performance**

**(a) Comparison of Results with Previous Corresponding Quarter**

For the quarter ended 31 October 2016, the Group recorded revenue of RM140.7 million and profit before tax of RM0.3 million as compared to revenue of RM145.2 million and profit before tax of RM1.0 million respectively in the previous corresponding quarter.

The lower profit before tax was mainly due to:

- Lower average selling price of export logs, plywood and particleboard
- Higher unit manufacturing cost for timber products

The decrease in profit was being partially offset by higher contribution from oil palm segment, attributed to higher FFB average selling price by 48%.

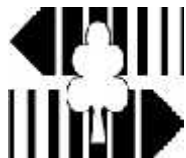
**(b) Comparison of Results with Previous Year-to-date**

Comparison of cumulative results is not presented as this is the first quarter for the financial year ended 31 July 2017.

**Note 16 Variation in the Quarterly Results Compared to the Results of the Immediate Preceding Quarter**

The Group's revenue increased by 2% from RM137.7 million in the immediate preceding quarter to RM140.7 million in the current quarter. The Group made a turnaround from loss before tax of RM18.4 million to profit before tax of RM0.3 million. The improvement was attributed to higher profit contribution from oil palm segment, mainly due to 14% increase in fresh fruit bunch ("FFB") average selling price and 50% increase in FFB sales volume resulting in lower unit production cost of FFB. The performance was also partly contributed by lower unit cost for logging operations.





#### **Note 17 Commentary on Prospects**

Global growth is projected to be slow as subdued global demand persists. China's economic growth is expected to slow further in 2017 as the slack global demand has hurt its exports, as well as risks from painful reforms to cut industrial overcapacity and a growing pile of national debt.

Nevertheless, timber and timber products prices are expected to sustain in view of further strengthening of US Dollar against Ringgit Malaysia, following Donald Trump's victory in the U.S. presidential elections and prevailing tight supply of logs in the market due to the monsoon season.

The uptrend in current Crude Palm Oil price is expected to firm up in view of higher price of soybean oil. We expect the oil palm segment performance would continue to contribute positively to the Group.

The Group has seen improvement in its performance following effective turnaround plan. The Group will continue to improve the core business models through strategic transformation of its operations, profit optimization, enhancement of cost competitiveness and products branding to ensure the Group stays resilient under adverse business environment.

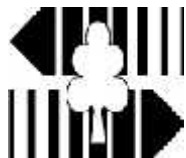
#### **Note 18 Financial Estimate, Forecast, Projection or Internal Targets**

The disclosure requirements for explanatory notes on the variation of actual profit after tax and profit forecast stated in the financial estimate, forecast, projection or internal targets and shortfall in profit guarantee are not applicable.

#### **Note 19 Profit Before Taxation**

Profit before taxation was derived after taking into consideration of the following:

	<b>Quarter ended</b>	
	<b>31.10.2016</b>	<b>31.10.2015</b>
	<b>RM'000</b>	<b>RM'000</b>
Amortisation and depreciation	21,033	27,037
Property, plant and equipment written off	12	1
Interest expenses	4,433	3,789
Interest income	(248)	(190)
(Gain)/loss on disposal of property, plant and equipment	(67)	3
Rental income	(57)	(63)
Loss/(Gain) on foreign exchange		
- realised	845	(2,148)
- unrealised	(76)	(1,534)



## Note 20 Taxation

The Group's taxation for the period under review was as follows:

	Quarter ended	
	31.10.2016 RM'000	31.10.2015 RM'000
Income tax:		
Current period provision	345	821
Under provision in prior year	450	-
Deferred tax:		
Current period provision	(585)	126
	<u>210</u>	<u>947</u>

Income tax expense is recognised in each quarter based on the best estimate of the weighted average annual income tax rate expected for the full financial year.

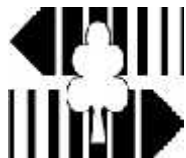
## Note 21 Status of Corporate Proposals

There were no outstanding corporate proposals that have been announced but not completed as at the date of this announcement.

## Note 22 Borrowings and Debt Securities

		As at	As at
		31.10.2016 RM'000	31.07.2016 RM'000
<b>Short term borrowings:</b>			
Unsecured	- Bankers' acceptance	9,598	30,622
	- Revolving credit	297,000	292,000
Secured	- Revolving credit	6,000	6,000
	- Term loans	11,720	14,087
	- Hire purchase obligations	41,975	50,196
		<u>366,293</u>	<u>392,905</u>
<b>Long term borrowings:</b>			
Secured	- Term loans	70,214	72,964
	- Hire purchase obligations	17,300	23,295
		<u>87,514</u>	<u>96,259</u>
<b>Total borrowings</b>		<u>453,807</u>	<u>489,164</u>

There were no borrowings denominated in foreign currency.



**Note 23 Fair Value of Financial Liabilities**

The Group has entered into forward foreign exchange contracts to limit its exposure on foreign currency receipts, when it is deemed necessary.

As at 31 October 2016, there was no outstanding foreign exchange contracts.

There was no significant change for the financial derivatives in respect of the followings since the last financial year ended 31 July 2016:

- (a) the credit risk, market risk and liquidity risk associated with these financial derivatives;
- (b) the cash requirements of the derivatives;
- (c) the policies in place for mitigating or controlling the risks associated with these financial derivative; and
- (d) the related accounting policies.

**Note 24 Profit/Loss Arising from Fair Value Changes of Financial Liabilities**

There were no gains or losses arising from fair value changes of financial liabilities for the current quarter ended 31 October 2016.

**Note 25 Realised and Unrealised Profits/Losses Disclosure**

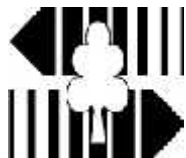
	<b>As at 31.10.2016 RM'000</b>	<b>As at 31.07.2016 RM'000</b>
Total retained profits of Subur Tiasa Holdings Berhad and its subsidiaries:		
- Realised	450,962	450,812
- Unrealised	(666)	(1,914)
	<u>450,296</u>	<u>448,898</u>
Less: Consolidation adjustments	(9,631)	(8,383)
Total Group retained profits as per consolidated accounts	<u>440,665</u>	<u>440,515</u>

**Note 26 Changes in Material Litigation**

There was no pending material litigation as at the date of this announcement.

**Note 27 Dividend Payable**

The Board of Directors did not declare any dividend for the quarter ended 31 October 2016 (previous corresponding period: Nil).



**Note 28 Earnings Per Share**

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to ordinary equity holders of the Company over the weighted average number of ordinary shares in issue during the period, excluding treasury shares held by the Company.

	<b>Quarter and financial year-to-date ended 31.10.2016</b>
Net profit for the period attributable to ordinary equity holders of the Company (RM'000)	150
Weighted average number of ordinary shares in issue excluding treasury shares ('000)	188,120
Basic earnings per share (Sen)	0.08

(b) Diluted earnings per share

N/A

**Note 29 Authorisation for Issue**

The quarterly report was authorised for issue by the Board of Directors in accordance with a resolution of the directors on 22 December 2016.